

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office DEC 31 1997
Returned to applicant for correction JAN 21 1998
Corrected application filed JAN 16 1998
Map filed JAN 16 1998

The applicant Empire Farms, LLC, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is, Underground (Geothermal Acquifer)
2. The amount of water applied for is 0.223 CFS, not to exceed 150 AC, FT, ANN. second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for Commercial Purposes
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") Please refer to attachment "A"
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point NE $\frac{1}{4}$ SE $\frac{1}{4}$ section 16, T.29N., R.23E., M.D.B.&M., or at a point from which the SE corner of said section 16 bears S. 28° 02' 51" E., a distance of 2,343.25 feet.
6. Place of Use Portions of the SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, all within Section 16, T.29N., R.23E., M.D.B.&M.
7. Use will begin about January 1 and end about December 31 of each year.
8. Description of proposed works Drilled & cased Geothermal well. and pipeline to Dehydration Plant.
9. Estimated cost of works \$20,000.00
10. Estimated time required to construct works One (1) year
11. Estimated time required to complete the application of water to beneficial use Five (5) years
12. Remarks: Please refer attachment "A"

By Gregory M. Bilyeu-Agent
s/Gregory M. Bilyeu
P. O. Box 70458
Reno, Nevada 89570

Compared my/ CMS dl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of geothermal fluid herein granted is only a temporary allowance and that the final right obtained under this permit will be dependent upon the amount actually placed to beneficial use. It is also understood that this right must allow for a reasonable decrease of fluid pressure and heat. The well shall be equipped and maintained to prevent any waste of the geothermal fluid. Accurate measurements must be kept of discharge of the production well and the amount of fluid injected into the injection well to determine the total amount of fluid diverted and consumed for a beneficial use.

The production and injection well are to be cemented from the producing levels to the surface to protect fresh water zones. This permit is issued subject to the condition that only geothermal fluids are to be diverted and used beneficially for heating purposes and fresh, cold water aquifers are not to be diverted. The used geothermal fluids are to be returned to the source via the injection well. The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies. A detailed log on the injection well and/or other analysis of the system used for returning the used geothermal fluids to the source must be submitted together with the Proof of Completion.

An annual report must be filed describing the amount of water diverted under this permit and the amount of geothermal fluid diverted and consumed to a beneficial use under Permits 51322 and 62924 for the calendar year. This report shall be filed not later than January 31 of each following year.

The total consumptive use under Permits 51322, 62924 and 63702 shall not exceed 1,303.0 acre-feet annually.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.223 cubic feet per second, but not to exceed 150.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

December 29, 1998

Proof of completion of work shall be filed before:

January 29, 1999

Application of water to beneficial use shall be filed on or before:

December 29, 2000

Proof of the application of water to beneficial use shall be filed on or before:

January 29, 2001

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 18th day of September, A.D. 1998


State Engineer

Completion of work filed

FEB 18 1999

Proof of beneficial use filed

Cultural map filed

Certificate No.

Issued



ATTACHMENT "A"

This application is being filed to appropriate 0.223 cfs (100 GPM) of geothermal fluid for consumptive use in a dehydration plant operated by the applicant. The geothermal fluid will be used in a blanching process on garlic and onions processed at the plant. The use of geothermal fluids in this process will decrease the microbial counts in the processed foods due to the heat of water.

The total annual consumptive use under this permit will not exceed 150 acre-feet annually. The used fluids will be discharged to an evaporation/infiltration basin. A discharge permit to accomplish this method of disposal is being obtained through NDEP and should be granted by the time this application is ready for action.

It is emphasized that this is an appropriation from the geothermal aquifer within the San Emidio Desert Groundwater Basin and that no appropriation from the fresh water aquifer is contemplated or will occur under this application. As determined in the State Engineer's ruling dated November 28, 1988, the geothermal aquifer is a separate and distinct aquifer from the fresh water aquifer. The water will be developed through an existing geothermal well (designated #75B-16) that is controlled by the applicant through an associated entity.

Please utilize the map on file under Permit 60003-T to illustrate the proposed place of use of this right.

